

FOND DU LAC COUNTY, WISCONSIN
FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

FOND DU LAC COUNTY, WISCONSIN
For the Year Ended December 31, 2014

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND THE SCHEDULE OF STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT GUIDELINES

To the County Board
Fond du Lac County, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Fond du Lac County, Wisconsin's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of Fond du Lac County, Wisconsin's major federal and state programs for the year ended December 31, 2014. Fond du Lac County, Wisconsin's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Fond du Lac County, Wisconsin's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133 and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Fond du Lac County, Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Fond du Lac County, Wisconsin's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Fond du Lac County, Wisconsin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of Fond du Lac County, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Fond du Lac County, Wisconsin's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Fond du Lac County, Wisconsin's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001 that we consider to be a significant deficiency.

Fond du Lac County, Wisconsin's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. Fond du Lac County, Wisconsin's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance
Required by OMB Circular A-133 and the *State Single Audit Guidelines***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Fond du Lac County, Wisconsin as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Fond du Lac County, Wisconsin's basic financial statements. We issued our report thereon dated July 29, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and the *State Single Audit Guidelines* and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

S. Schenk SC

Certified Public Accountants
Sheboygan, Wisconsin
September 8, 2015, except for the Schedules of
Federal Awards and State Financial Assistance
as to which the date is July 29, 2015

FOND DU LAC COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number
<u>U.S. DEPARTMENT OF AGRICULTURE</u>		
Special Supplemental Food Program For Women, Infants and Children	WI Department of Health Services	10.557
Supplemental Nutrition Assistance Program (SNAP) Cluster		
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	WI Department of Health Services	10.561
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	WI Department of Children and Families	10.561
Total Supplemental Nutrition Assistance Program (SNAP) Cluster		
Total U.S. Department of Agriculture		
<u>DEPARTMENT OF PUBLIC INSTRUCTION</u>		
National School Lunch Program	WI Department of Commerce	10.555
<u>U.S. DEPARTMENT OF JUSTICE</u>		
Drug Court Discretionary Grant Program	Direct Program	16.585
State Criminal Alien Assistance Program	Direct Program	16.606
Bulletproof Vest Partnership Program	Direct Program	16.607
Project Safe Neighborhoods	WI Department of Justice	16.609
<i>JAG Cluster</i>		
Byrne Memorial Justice Assistance Grant	WI Department of Administration	16.738
Total U.S. Department of Justice		
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>		
Highway Safety Cluster		
State and Community Highway Safety	WI Department of Transportation	20.600
Interagency Hazardous Materials Public Sector Training and Planning Grants	WI Department of Military Affairs	20.703
Total U.S. Department of Transportation		
<u>ENVIRONMENTAL PROTECTION AGENCY - OFFICE OF WATER</u>		
Passed through the Wisconsin Department of Natural Resources		
State Indoor Radon Grants	WI Department of Health Services	66.032
<u>U.S. DEPARTMENT OF EDUCATION</u>		
Special Education - Grants for Infants and Families	WI Department of Health Services	84.181

(Continued)

Revenues				Total Expenditures
(Accrued) or Deferred Revenue 1/1/14	Cash Received	Accrued or (Deferred) Revenue 12/31/14	Total Revenues	

\$ (3,704) \$ 426,510 \$ 18,234 \$ 441,040 \$ 441,040

(417,194) 2,800,154 591,011 2,973,971 2,973,971

(21) 1,965 161 2,105 2,105

(417,215) 2,802,119 591,172 2,976,076 2,976,076

(420,919) 3,228,629 609,406 3,417,116 3,417,116

(446) 19,452 - 19,006 19,006

- 62,034 17,557 79,591 79,591

- 2,062 - 2,062 2,062

(2,159) 4,800 477 3,118 3,118

- 4,560 21,448 26,008 26,008

(43,109) 79,494 22,127 58,512 58,512

(45,268) 152,950 61,609 169,291 169,291

(1,998) 35,924 - 33,926 33,926

- 2,750 - 2,750 2,750

(1,998) 38,674 - 36,676 36,676

- 11,464 - 11,464 11,464

- 105,332 - 105,332 105,332

FOND DU LAC COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2014

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Special Programs for the Aging		
Title III, Part D - Disease Prevention and Health Promotion Services		
	Greater Wisconsin Agency on Aging Resources	93.043
Aging Cluster		
Title III-B Grants for Supportive Services and Senior Centers		
	Greater Wisconsin Agency on Aging Resources	93.044
Title III-Part C - Nutrition Services		
	Greater Wisconsin Agency on Aging Resources	93.045
NSIP Nutrition Services Incentive Prog		
	Greater Wisconsin Agency on Aging Resources	93.053
Total Aging Cluster		
Centers of Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		
	Greater Wisconsin Agency on Aging Resources	93.779
National Family Caregiver Support, Title III, Part E (2012)		
	Greater Wisconsin Agency on Aging Resources	93.052
Hospital Preparedness Program		
	WI Department of Health Services	93.074
Immunization Cooperative Agreements		
	WI Department of Health Services	93.268
PPHF National Public Health Improvement Initiative		
	WI Department of Health Services	93.507
Promoting Save and Stable Families		
	WI Department of Children and Families	93.556
Temporary Assistance for Needy Families (TANF) Cluster		
Temporary Assistance for Needy Families (TANF)		
	WI Department of Health Services	93.558
Temporary Assistance for Needy Families (TANF)		
	WI Department of Children and Families	93.558
Total Temporary Assistance for Needy Families (TANF)		
Child Support Enforcement (Title IV-D)		
	WI Department of Children and Families	93.563
Family Support Payments to States		
	WI Department of Children and Families	93.560
Low-Income Home Energy Assistance		
	WI Department of Administration	93.568
Child Care Mandatory and Matching Funds of the Child Care and Development Fund		
	WI Department of Children and Families	93.596
Chafee Education and Training Vouchers Program (ETV)		
	WI Department of Children and Families	93.599
Stephanie Tubbs Jones Child Welfare Services Program		
	WI Department of Corrections	93.645
Stephanie Tubbs Jones Child Welfare Services Program		
	WI Department of Children and Families	93.645
Total Stephanie Tubbs Jones Child Welfare Services Program		
Foster Care (Title IV-E)		
	WI Department of Corrections	93.658
Foster Care (Title IV-E)		
	WI Department of Children and Families	93.658
Total Foster Care (Title IV-E)		
Social Services Block Grant		
	WI Department of Health Services	93.667
Social Services Block Grant		
	Greater Wisconsin Agency on Aging Resources	93.667
Social Services Block Grant		
	WI Department of Children and Families	93.667
Total Social Services Block Grant		

(Continued)

Revenues				Total Expenditures
(Accrued) or Deferred Revenue 1/1/14	Cash Received	Accrued or (Deferred) Revenue 12/31/14	Total Revenues	
-	6,167	-	6,167	6,167
-	73,879	-	73,879	73,879
-	166,330	-	166,330	166,330
-	40,152	9,033	49,185	49,185
-	280,361	9,033	289,394	289,394
-	26,189	-	26,189	26,189
-	66,645	-	66,645	66,645
-	110,523	(17,598)	92,925	92,925
-	21,361	-	21,361	21,361
-	10,000	-	10,000	10,000
(8,568)	52,266	8,646	52,344	52,344
(12,380)	186,797	6,044	180,461	180,461
(23,512)	289,881	27,330	293,699	293,699
(35,892)	476,678	33,374	474,160	474,160
(212,851)	1,012,295	218,537	1,017,981	1,017,981
(4)	25	4	25	25
(13,605)	105,799	32,095	124,289	124,289
(35,049)	218,135	36,933	220,019	220,019
-	-	649	649	649
-	7,465	-	7,465	7,465
-	62,563	-	62,563	62,563
-	70,028	-	70,028	70,028
-	10,451	-	10,451	10,451
(7,792)	427,310	8,376	427,894	427,894
(7,792)	437,761	8,376	438,345	438,345
-	266,057	-	266,057	266,057
-	1,257	-	1,257	1,257
-	171,368	-	171,368	171,368
-	438,682	-	438,682	438,682

FOND DU LAC COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2014

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</u>		
Chafee Foster Care Independence Program	WI Department of Children and Families	93.674
Children's Health Insurance Program	WI Department of Health Services	93.767
<i>Medicaid Cluster</i>		
Medical Assistance Program	WI Department of Children and Families	93.778
Medical Assistance Program	WI Department of Health Services	93.778
Total Medicaid Cluster		
Block Grants for Community Mental Health Services	WI Department of Health Services	93.958
Block Grants for Prevention and Treatment of Substance Abuse	WI Department of Health Services	93.959
Prev Hlth/Hlth Serv Block Grant-Cons Contract-PHHS	WI Department of Health Services	93.991
Maternal and Child Health Services Block Grant	WI Department of Health Services	93.994
Total U.S. Department of Health and Human Services		
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>		
Emergency Management Performance Grants	WI Department of Military Affairs	97.042
Pre-Disaster Mitigation	WI Department of Military Affairs	97.047
Total U.S. Department of Homeland Security		
TOTAL EXPENDITURES OF FEDERAL AWARDS		

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Revenues				Total Expenditures
(Accrued) or Deferred Revenue 1/1/14	Cash Received	Accrued or (Deferred) Revenue 12/31/14	Total Revenues	
-	33,374	-	33,374	33,374
(76,079)	383,912	77,106	384,939	384,939
2,392	(2,341)	(1,474)	(1,423)	(1,423)
(593,773)	4,144,596	616,110	4,166,933	4,166,933
(591,381)	4,142,255	614,636	4,165,510	4,165,510
-	74,667	12,919	87,586	87,586
-	182,892	63	182,955	182,955
-	3,588	-	3,588	3,588
-	32,478	-	32,478	32,478
(981,221)	8,186,081	1,034,773	8,239,633	8,239,633
(31,786)	80,285	33,301	81,800	81,800
-	-	15,893	15,893	15,893
(31,786)	80,285	49,194	97,693	97,693
<u>\$ (1,481,638)</u>	<u>\$ 11,822,867</u>	<u>\$ 1,754,982</u>	<u>\$ 12,096,211</u>	<u>\$ 12,096,211</u>

FOND DU LAC COUNTY, WISCONSIN
Schedule of State Financial Assistance
For the Year Ended December 31, 2014

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number
<u>DEPARTMENT OF AGRICULTURE, TRADE, AND CONSUMER PROTECTION</u>		
Soil and Water Resource Management County		
Staff and Support	Direct Program	115.15
Land and Water Resource Management Projects	Direct Program	115.40
Total Department of Agriculture, Trade, and Consumer Protection		
<u>DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES</u>		
Wisconsin Fund Private Sewage System	Direct Program	143.110
<u>DEPARTMENT OF NATURAL RESOURCES</u>		
Boating Patrol	Direct Program	370.381
Boating Enforcement	Direct Program	370.550
Wildlife Damage Abatement and Claims (2013)	Direct Program	370.553
Wildlife Damage Abatement and Claims (2014)	Direct Program	370.553
Conservation Aids-Local Parks Aid	Direct Program	370.563
Conservation Aids-Local Parks Aid(Wild Goose Trail) (S-ADLP2-946)	Direct Program	370.563
Snowmobile Supplemental Aids (S-4113)	Direct Program	370.569
Snowmobile Supplemental Aids (S-4233)	Direct Program	370.569
Recreation Aids-Snowmobile Trails (S-3989)	Direct Program	370.574
Recreational Trails Act Prog (ATV-1940)	Direct Program	370.577
Total Department of Natural Resources		
<u>DEPARTMENT OF TRANSPORTATION</u>		
Elderly and Handicapped Transportation Aids	Direct Program	395.101
<u>DEPARTMENT OF CORRECTIONS</u>		
Community Intervention	Direct Program	410.302
Community Youth and Family Aids	Direct Program	410.313
Total Department of Corrections		
<u>DEPARTMENT OF HEALTH SERVICES</u>		
WIC Program - Farmers Market	Direct Program	435.154720
GPR Lead Poison	Direct Program	435.157720
TPCP-WI Wins	Direct Program	435.158127
Maternal & Child Health Service Block Grant	Direct Program	435.159320
TPCP-WI Wins	Direct Program	435.181005
TPCP-Community Interventions LHD	Direct Program	435.181012

(Continued)

Revenues				Total Expenditures
(Accrued) or Deferred Revenue 1/1/14	Cash Received	Accrued or (Deferred) Revenue 12/31/14	Total Revenues	

\$	-	\$	-	\$	148,616	\$	148,616	\$	148,616
	(42,547)		99,852		1,194		58,499		58,499

	(42,547)		99,852		149,810		207,115		207,115
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	-		13,280		-		13,280		13,280
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(2,499)	2,499		-		-		-		-
(8,659)	8,659		11,375		11,375		11,375		11,375
(22,753)	22,753		-		-		-		-
-	15,710		4,449		20,159		20,159		20,159
-	-		1,950		1,950		1,950		1,950

(49,651)	56,335		-		6,684		6,684		6,684
(11,987)	11,987		-		-		-		-
-	19,939		6,616		26,555		26,555		26,555
-	74,200		-		74,200		74,200		74,200
-	1,200		-		1,200		1,200		1,200
(95,549)	213,282		24,390		142,123		142,123		142,123

-	244,055		-		244,055		244,055		244,055
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(12,355)	49,115		12,050		48,810		48,810		48,810
-	728,571		-		728,571		728,571		728,571
(12,355)	777,686		12,050		777,381		777,381		777,381

-	2,121		-		2,121		2,121		2,121
-	11,522		-		11,522		11,522		11,522
(4,219)	4,219		-		-		-		-
-	1,974		-		1,974		1,974		1,974
-	11,638		2,292		13,930		13,930		13,930
-	102,564		-		102,564		102,564		102,564

FOND DU LAC COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2014

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number
<u>DEPARTMENT OF HEALTH SERVICES (Continued)</u>		
FSET Administration GPR	Direct Program	435.231
FSET Transportation GPR	Direct Program	435.233
FSET Retent GPR	Direct Program	435.235
IMAA State Share	Direct Program	435.283
Medicaid Subrogation	Direct Program	435.291
IMAA State Share Supplemental	Direct Program	435.292
IMAA Federal Share Supplemental	Direct Program	435.293
IMAA State Share ACA	Direct Program	435.297
IMAA Federal Share ACA	Direct Program	435.298
Adult Protective Services	Direct Program	435.312
Community Options Program	Direct Program	435.367
Certified Mental Health Program	Direct Program	435.517
Non-Resident-997	Direct Program	435.531
Birth to Three Initiative Program	Direct Program	435.550
Aging and Disability Resource Center	Direct Program	435.560100
Elderly Benefit Specialists	Greater Wisconsin Agency on Aging Resources	435.560320
Senior Community Services	Greater Wisconsin Agency on Aging Resources	435.560330
Congregate Meals Program (Title III-C-1)	Greater Wisconsin Agency on Aging Resources	435.560350
Home Delivered Meals (Title III-C-2)	Greater Wisconsin Agency on Aging Resources	435.560360
Alzheimer's Family Support Aging	Greater Wisconsin Agency on Aging Resources	435.560381
Elder Abuse	Greater Wisconsin Agency on Aging Resources	435.560490
Basic County Allocation	Direct Program	435.561
Family Support Program	Direct Program	435.577
County CST Initiatives	Direct Program	435.591
Comm. Service and Mental Health Service	Direct Program	435.681
CLTS DD Autism GPR	Direct Program	435.832
CLTS DD Other GPR	Direct Program	435.835
CLTS MH Autism GPR	Direct Program	435.838
CLTS MH Other GPR	Direct Program	435.841
CLTS Pd Other CWA Administration	Direct Program	435.847
TPA CLTS DD Other GPR	Direct Program	435.871
TPA CLTS DD Autism GPR	Direct Program	435.874
CLTS Other CWA Admin	Direct Program	435.877
CLTS Autism CWA Admin	Direct Program	435.880
CLTS PF BCA Matched	Direct Program	435.883
Total Department of Health Services		

(Continued)

Revenues				Total Expenditures
(Accrued) or Deferred Revenue 1/1/14	Cash Received	Accrued or (Deferred) Revenue 12/31/14	Total Revenues	
-	12,227	251	12,478	12,478
(642)	7,336	-	6,694	6,694
285	131	1,093	1,509	1,509
(33,733)	1,505,121	7,441	1,478,829	1,478,829
22,100	(22,100)	-	-	-
(10,154)	78,775	42,241	110,862	110,862
(85)	510	262	687	687
(63,004)	750,905	274,999	962,900	962,900
(529)	4,794	1,705	5,970	5,970
-	52,080	-	52,080	52,080
27,286	450,316	9,989	487,591	487,591
(20,323)	45,958	25,635	51,270	51,270
(870)	20,670	-	19,800	19,800
-	103,163	-	103,163	103,163
(1,509)	649,695	(5,875)	642,311	642,311
-	28,215	-	28,215	28,215
-	10,746	-	10,746	10,746
-	99,414	-	99,414	99,414
-	7,225	-	7,225	7,225
(1,219)	13,300	2,879	14,960	14,960
(3,826)	32,220	2,664	31,058	31,058
-	1,652,531	-	1,652,531	1,652,531
445	86,240	2,417	89,102	89,102
-	21,115	7,301	28,416	28,416
-	226,717	-	226,717	226,717
(12,114)	12,114	-	-	-
(24,289)	24,289	-	-	-
(2,615)	2,615	-	-	-
(6,469)	6,469	-	-	-
(564)	564	-	-	-
-	229,780	-	229,780	229,780
-	119,210	-	119,210	119,210
-	20,843	4,402	25,245	25,245
-	7,569	2,718	10,287	10,287
-	(1,267)	1,267	-	-
(136,048)	6,393,528	383,681	6,641,161	6,641,161

FOND DU LAC COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2014

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number
<u>DEPARTMENT OF CHILDREN AND FAMILIES</u>		
Post Reunification	Direct Program	437.117
MA Agency Incentive	Direct Program	437.237
AFDC Agency Initiative	Direct Program	437.238
Children First	Direct Program	437.265
Food Stamp Agency Incentive	Direct Program	437.267
AW DOJ Fingerprint Background	Direct Program	437.3324
Youth Employment Program	Direct Program	437.3365
Basic County Allocation	Direct Program	437.3561
State/County Match	Direct Program	437.3681
Child Support	Direct Program	437.7603
Total Department of Children and Families		
<u>DEPARTMENT OF JUSTICE</u>		
Law Enforcement Training	Direct Program	455.231
Victim and Witness Assistance Program - A Program Cluster	Direct Program	455.532
DNA reimbursement	Direct Program	455.221
Total Department of Justice		
<u>DEPARTMENT OF MILITARY AFFAIRS</u>		
Emergency Planning Grant Program	Direct Program	465.337
EPCRA Computer and Hazmat Equipment Grant	Direct Program	465.308
Total Department of Military Affairs		
<u>DEPARTMENT OF VETERANS AFFAIRS</u>		
County Veterans Service Officer	Direct Program	485.001
<u>STATE COURTS</u>		
Reimb Guardian Ad Litem Services-Circuit Court	Direct Program	N/A
Reimb Guardian Ad Litem Services-Probate	Direct Program	N/A
Total State Courts		
<u>DEPARTMENT OF ADMINISTRATION</u>		
Land Information Board	Direct Program	505.118
Wisconsin Home Energy Assistance Program (See Federal Program CFDA #93.568)	Direct Program	505.371
Total Department of Administration		
TOTAL STATE PROGRAMS		

The notes to the schedule of state financial assistance are an integral part of this schedule.

Revenues				Total Expenditures
(Accrued) or Deferred Revenue 1/1/14	Cash Received	Accrued or (Deferred) Revenue 12/31/14	Total Revenues	
-	36,238	(4,176)	32,062	32,062
2,392	(2,341)	(144)	(93)	(93)
(3)	20	3	20	20
17,314	(17,314)	-	-	-
(21)	1,965	160	2,104	2,104
(742)	3,119	562	2,939	2,939
-	61,210	18,369	79,579	79,579
-	618,965	-	618,965	618,965
-	109,040	-	109,040	109,040
-	136,064	-	136,064	136,064
18,940	946,966	14,774	980,680	980,680
-	20,000	-	20,000	20,000
(41,734)	83,367	41,042	82,675	82,675
-	1,940	-	1,940	1,940
(41,734)	105,307	41,042	104,615	104,615
(12,868)	26,678	13,810	27,620	27,620
(9,600)	23,095	-	13,495	13,495
(22,468)	49,773	13,810	41,115	41,115
-	13,000	-	13,000	13,000
29,438	60,504	(30,252)	59,690	59,690
13,226	27,183	(13,591)	26,818	26,818
42,664	87,687	(43,843)	86,508	86,508
-	1,000	-	1,000	1,000
(8,559)	59,140	11,183	61,764	61,764
(8,559)	60,140	11,183	62,764	62,764
\$ (297,656)	\$ 9,004,556	\$ 606,897	\$ 9,313,797	\$ 9,313,797

FOND DU LAC COUNTY, WISCONSIN
Notes to the Schedule of Expenditures of Federal Awards
and the Schedule of State Financial Assistance
For the Year Ended December 31, 2014

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance for Fond du Lac County are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance include all federal and state awards of the primary government of Fond du Lac County. The federal and state awards of the Fond du Lac County Housing Authority, a component unit of Fond du Lac County, are reported in a separate report issued by other auditors and are not included in this report.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the County's 2014 basic financial statements. Local share represents program expenditures in excess of program revenues. Receipts under reimbursable expenditures at year-end consists of state program expenditures scheduled for reimbursement to the County in the succeeding year while receipts over reimbursable expenditures represents advances for state programs that exceed recorded County expenditures.

The programs included in the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance are separated into major and non-major categories. Additional information on each category is presented below:

Federal Programs: Fond du Lac County, Wisconsin, qualifies as a low risk auditee in accordance with paragraph 530 of OMB Circular A-133. Therefore major programs represent those with combined expenditures exceeding 25% of total federal awards that also were deemed major programs based on the auditors' risk assessment. All other federal programs are considered non-major programs.

State Programs: Fond du Lac County, Wisconsin, qualifies as a low risk auditee in accordance with the *State Single Audit Guidelines*. Therefore major programs represent those with combined expenditures exceeding 25% of total state financial assistance that also were deemed major programs based on the auditor's risk assessment. In addition, certain state financial assistance programs were designated state major by the state granting agency and therefore considered state major. All other state financial assistance programs are considered nonmajor programs.

NOTE C - OVERSIGHT AGENCIES

The federal and state oversight agencies for the County are as follows:

Federal - U.S. Department of Justice
State - Wisconsin Department of Health Services

FOND DU LAC COUNTY, WISCONSIN
Notes to the Schedule of Expenditures of Federal Awards
and the Schedule of State Financial Assistance
For the Year Ended December 31, 2014

NOTE D - TITLE 19 MEDICAL ASSISTANCE PAYMENTS

The Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance does not include repayments received by the County for various Title 19 Medical Assistance programs. The payments are considered a contract for services between the State and the County and therefore are not reported as federal awards or state financial assistance. Payments received under the Medicaid Personal Care Program, Wisconsin Medicaid Cost Reporting (WIMCR), Case Management Agency Providers (State I.D. No. 435.153) and Family Care Program were reported as major state programs as required by the *State Single Audit Guidelines* and *Family Care Audit Guide*.

NOTE E - STATE DIRECT PAYMENTS

Payments made directly to recipients and vendors by the State of Wisconsin under the Food Share Wisconsin program on behalf of the County are not included in the Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance.

NOTE F - STATE OF WISCONSIN COMMUNITY AIDS REPORTING SYSTEM

The Wisconsin Department of Health Services (DHS), Department of Children and Families (DCF) and Department of Workforce Development (DWD) utilize the Community Aids Reporting System (CARS) and the Central Office Reporting System (CORS) for reimbursing the County for various federal and state program expenditures. The expenditures reported on the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance for various DHS, DCF and DWD programs agree with the expenditures reported on the June 2015 CARS for the Community Programs, Social Services and Public Health departments and the December 2014 CORS for Child Support and Social Services departments.

FOND DU LAC COUNTY, WISCONSIN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2014

Section I - Summary of Auditors' Results

Basic Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies identified?	None Reported
Noncompliance material to basic financial statements noted?	No

Federal Awards and State Financial Assistance

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiencies identified?	Yes
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	Yes
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	Yes

Identification of major federal programs:

CFDA Number	Name of Federal Program
	<i>SNAP Cluster</i>
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program
84.181	Special Education - Grants for Infants and Families
	<i>Medicaid Cluster</i>
93.778	Medical Assistance Program

FOND DU LAC COUNTY, WISCONSIN
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2014

Section I - Summary of Auditors' Results (Continued)

Identification of major state programs:

State ID Number	Name of State Program
435.283	IMAA State Share
435.292	IMAA State Share Supplemental
435.293	IMAA Federal Share Supplemental
435.297	IMAA State Share ACA
435.298	IMAA Federal Share ACA
435.550	Birth to Three Initiative Program
435.871	TPA CLTS DD Other GPR
435.874	TPA CLTS DD Autism GPR
435.877	CLTS Other CWA Admin
435.880	CLTS Autism CWA Admin
435.560100	Aging and Disability Resource Center
N/A	WIMCR

Audit threshold used to determine between Type A and Type B programs:

Federal	\$300,000
State (state designated major programs are considered Type A programs)	\$100,000
Audit qualified as a low-risk auditee	Yes

Section II - Financial Statement Findings

There were no findings related to the basic financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2014.

FOND DU LAC COUNTY, WISCONSIN
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2014

Section III - Federal Award and State Financial Assistance Findings and Questioned Costs

Finding No.	Control Deficiencies
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2014-001 Financial Reporting for Federal and State Financial Assistance

CFDA #: All federal programs

State ID #: All state programs

Condition: While the current staff of the County maintain financial records which accurately report federal and state revenues and expenditures throughout the year, preparing the year end schedule of expenditures of federal awards and schedule of state financial assistance, including the related notes require additional expertise that would entail additional training and staff time to develop. The County contracts with Schenck and their knowledge of current accounting principles and regulatory requirements to assist in the preparation of the federal and state financial reports.

Criteria: The review of federal and state financial assistance reports by staff with expertise in federal and state financial reporting is an internal control intended to prevent, detect and correct a potential misstatement in the schedule of expenditures of federal awards, schedule of state financial assistance or notes.

Cause: The additional costs associated with hiring staff experienced in preparing these schedules and notes, including additional training time outweigh the derived benefits.

Effect: The County could receive federal or state grant awards which are not included in the accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance.

Recommendation: We recommend the County continue reviewing the federal and state financial assistance reports. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the County is necessary to obtain an adequate understanding of the County's single audit report.

FOND DU LAC COUNTY, WISCONSIN
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2014

Section IV - Other Issues

Does the auditors' report or the notes to the financial statement include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?

_____ Yes X No

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Agriculture, Trade and Consumer Protection	<u> X </u>	Yes	_____	No
Department of Safety and Professional Services	<u> X </u>	Yes	_____	No
Department of Natural Resources	<u> X </u>	Yes	_____	No
Department of Transportation	<u> X </u>	Yes	_____	No
Department of Corrections	<u> X </u>	Yes	_____	No
Department of Health Services	<u> X </u>	Yes	_____	No
Department of Children and Families	<u> X </u>	Yes	_____	No
Department of Justice	<u> X </u>	Yes	_____	No
Department of Military Affairs	<u> X </u>	Yes	_____	No
Department of Veterans Affairs	<u> X </u>	Yes	_____	No
Department of Administration	<u> X </u>	Yes	_____	No
State Courts	<u> X </u>	Yes	_____	No

Was a Management Letter or other document conveying audit comments issued as a result of this audit?

 X Yes _____ No

Name and signature of shareholder


 Bryan Grunewald, Shareholder

Date of report

September 8, 2015

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

RESEARCH REPORT

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FOND DU LAC COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2014

Prior Year Audit Findings

The findings noted in the 2013 Schedule of Findings and Questioned Costs have been reported to the proper federal and state agencies. Management continues to believe the cost to hire additional staff to eliminate the control deficiency identified as 2013-001 outweighs the benefits to be received. Management reviews the single audit report prior to issuance.

Corrective Action Plan for Audit Findings

Finding Number	Corrective Action Plan
-------------------	------------------------

2014-001 Financial Reporting for Federal and State Financial Assistance

Management believes the cost of additional staff time and training to prepare these items outweigh the benefits to be received. The financial staff of the County have reviewed and approved the portions of schedules prepared by Schenck.

ADDITIONAL INDEPENDENT AUDITORS' REPORT

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the County Board
Fond du Lac County, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Fond du Lac County, Wisconsin, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Fond du Lac County's basic financial statements, and have issued our report thereon dated July 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fond du Lac County, Wisconsin's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fond du Lac County, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fond du Lac County, Wisconsin's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fond du Lac County, Wisconsin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fond du Lac County, Wisconsin's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fond du Lac County, Wisconsin's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.

Schenck SC

Certified Public Accountants
Sheboygan, Wisconsin
July 29, 2015